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Exhibit R-2, RDT&E Budget Item Justification: PB 2021 Defense Health Agency **Date:** February 2020

Appropriation/Budget Activity 0130: <i>Defense Health Program I BA 2: RDT&E</i>	R-1 Program Element (Number/Name) PE 0605502DHA I <i>Small Business Innovation Research (SBIR) Program</i>
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COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
Total Program Element	355.005	66.784	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
470A: <i>Small Business Innovation Research (SBIR) (Army)</i>	324.552	58.549	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
470B: <i>Small Business Technology Transfer (STTR) Program</i>	30.453	8.235	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Small Business Innovation Research (SBIR) program was established in the Defense Health Program (DHP), Research, Development, Test and Evaluation (RDT&E) appropriation during FY 2001, and is funded in the year of execution. The objective of the DHP SBIR Program includes stimulating technological innovation, strengthening the role of small business in meeting Department of Defense (DoD) research and development needs, fostering and encouraging participation by minority and disadvantaged persons in technological innovation, and increasing the commercial application of DoD-supported research and development results. The program funds small business proposals chosen to enhance military medical research and information technology research.

The Small Business Technology Transfer (STTR) program was established in the DHP, RDT&E appropriation during FY 2015, and is funded in the year of execution. The STTR Program, although modeled substantially on the SBIR Program, is a separate program and is separately financed. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations. The mission of the STTR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy. The programs' goals are to stimulate technological innovation, foster technology transfer through cooperative research and development between small businesses and research institutions, and increase private sector commercialization of innovations derived from federal research and development.

Both the SBIR and STTR programs address the President's multi-agency science and technology priority of innovation in life sciences, biology, and neuroscience through coordination with the Joint Program Committees, which manage multi-Service DHP-sponsored research.

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B. Program Change Summary (\$ in Millions)	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total
Previous President's Budget	0.000	0.000	0.000	-	0.000
Current President's Budget	66.784	0.000	0.000	-	0.000
Total Adjustments	66.784	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	66.784	-			

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Exhibit R-2A, RDT&E Project Justification: PB 2021 Defense Health Agency										Date: February 2020		
Appropriation/Budget Activity 0130 / 2					R-1 Program Element (Number/Name) PE 0605502DHA / <i>Small Business Innovation Research (SBIR) Program</i>				Project (Number/Name) 470A / <i>Small Business Innovation Research (SBIR) (Army)</i>			
COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
470A: <i>Small Business Innovation Research (SBIR) (Army)</i>	324.552	58.549	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Defense Health Agency (DHA) Small Business Innovation Research (SBIR) Program can participate in any of the three (FY.1, FY.2, and FY.3) Department of Defense (DoD) SBIR Broad Agency Announcements (BAA). The process begins with a call for topics to the Joint Program Committees (JPCs), multi-Service committees established to manage research, development, test and evaluation for DHA sponsored research. DHA SBIR topics are submitted directly to the US Army Medical Research and Materiel Command (USAMRMC) and then forwarded to the JPCs for review and internal ranking. Topic Authors brief their topics at a Topic Review Meeting attended by DHA Research& Development Directorate (J9) SBIR Program Director (PD) and personnel from the supporting USAMRMC offices. Approved DHA SBIR topics are published in DoD SBIR BAAs. Small businesses submit proposals against topics which are then evaluated by a Technical Evaluation Team (TET) made up of a Team Chief and Technical Evaluators. TETs recommend proposals for selection. All recommended proposals are reviewed by the JPCs and the DHA SBIR PD. Phase I proposal selections are announced and contract negotiations begin. Phase I contracts are awarded up to \$150K for 6 months. Follow-on Phase II projects can be awarded up to \$1M for 24 months. This process ensures the SBIR program addresses the multi-agency science and technology priority of innovation in life sciences, biology, and neuroscience.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2019	FY 2020	FY 2021
Title: Small Business Innovation Research (SBIR) Program	58.549	0.000	-
Description: The program funds small business proposals chosen to enhance military medical research and information technology research. For FY 2018, twelve DHA SBIR topics were developed for the 2018.1, 2018.2 DoD SBIR Broad Agency Announcements (BAA). Funding for each topic was based on the technical merits of the proposals submitted.			
FY 2020 Plans: No funding programmed. The DHA SBIR program is funded in the year of execution.			
FY 2020 to FY 2021 Increase/Decrease Statement: No funding programmed. The DHA SBIR program is funded in the year of execution.			
Accomplishments/Planned Programs Subtotals	58.549	0.000	-

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

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Appropriation/Budget Activity 0130 / 2	R-1 Program Element (Number/Name) PE 0605502DHA / <i>Small Business Innovation Research (SBIR) Program</i>	Project (Number/Name) 470A / <i>Small Business Innovation Research (SBIR) (Army)</i>

D. Acquisition Strategy

Test and evaluate commercially developed prototypes funded by the SBIR program to ensure military and regulatory requirements are met prior to production and fielding, to include Food and Drug Administration licensure and Environmental Protection Agency registration.

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Appropriation/Budget Activity 0130 / 2					R-1 Program Element (Number/Name) PE 0605502DHA / <i>Small Business Innovation Research (SBIR) Program</i>				Project (Number/Name) 470B / <i>Small Business Technology Transfer (STTR) Program</i>			
COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
470B: <i>Small Business Technology Transfer (STTR) Program</i>	30.453	8.235	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

A. Mission Description and Budget Item Justification

Small Business Technology Transfer (STTR) is a program that expands funding opportunities in the federal innovation research and development arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations. The program funds small business proposals that partner with a research institution, are technically meritorious, and enhance Joint Program Committee (JPC) research and development efforts. The DHA STTR Program can participate in any of the three (FY.A, FY.B, and FY.C) Department of Defense (DoD) STTR BAAs. The process begins with a call for topics to the JPCs. DHA STTR topics are submitted directly to US Army Medical Research and Materiel Command (USAMRMC) and then forwarded to the JPCs for review and internal ranking. Topic Authors brief their topics at a Topic Review Meeting attended by the DHA Research & Development Directorate (J9) STTR Program Director (PD) and personnel from the supporting USAMRMC offices. Approved DHA STTR topics are published in the DoD STTR BAA. Small businesses submit proposals against topics which are then evaluated by a Technical Evaluation Team (TET) made up of a Team Chief and Technical Evaluators. TETs recommend proposals for selection. All recommended proposals are reviewed by the JPCs and the DHA STTR PD. Phase I proposal selections are announced and contract negotiations begin. Phase I contracts are awarded up to \$150K for 6 months. Follow-on Phase II projects can be awarded up to \$1M for 24 months. This process ensures the STTR program addresses the multi-agency science and technology priority of innovation in life sciences, biology, and neuroscience.

B. Accomplishments/Planned Programs (\$ in Millions)

	FY 2019	FY 2020	FY 2021
Title: Small Business Technology Transfer (STTR) Program	8.235	0.000	-
Description: STTR Program offers funding opportunities in federal research and development to small businesses. The program aims to stimulate technological innovation in DoD research and development, strengthen the role of small business in meeting DoD research and development needs, foster and encourage participation by minority and disadvantaged persons in technological innovation, and increase the commercial application of DoD-supported research or research and development results. For FY 2018, two topics were developed for the 2018.A, 2018.B DoD STTR Broad Agency Announcement (BAA). Funding for the topics was based on the merits of responses to the BAA.			
FY 2020 Plans: No funding programmed. The DHA STTR program is funded in the year of execution.			
FY 2020 to FY 2021 Increase/Decrease Statement:			

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B. Accomplishments/Planned Programs (\$ in Millions)	FY 2019	FY 2020	FY 2021
No funding programmed. The DHA SBIR program is funded in the year of execution.			
Accomplishments/Planned Programs Subtotals	8.235	0.000	-

C. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

D. Acquisition Strategy

Test and evaluate commercially developed prototypes funded by the STTR program to ensure military and regulatory requirements are met prior to production and fielding, to include Food and Drug Administration licensure and Environmental Protection Agency registration.